

**LINCOLN CHARTER TOWNSHIP**

**BERRIEN COUNTY, MICHIGAN**

**FINANCIAL STATEMENTS**

**Year ended March 31, 2006**

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name LINCOLN CHARTER TOWNSHIP	County BERRIEN
Fiscal Year End MARCH 31, 2006	Opinion Date JUNE 9, 2006	Date Audit Report Submitted to State AUGUST 16, 2006	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES

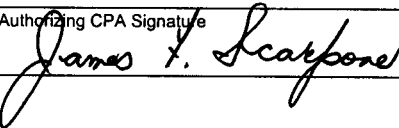
NO

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input checked="" type="checkbox"/>			
The letter of Comments and Recommendations	<input type="checkbox"/>	Types of issues seemingly required only verbal communication		
Other (Describe)	<input type="checkbox"/>	N/A		
Certified Public Accountant (Firm Name) SCARPONE & CO., P.C., CPA'S		Telephone Number 269-684-5100		
Street Address 20 N. SECOND ST., P.O. BOX 1146		City NILES	State MI	Zip 49120
Authorizing CPA Signature 		Printed Name JAMES F. SCARPONE, CPA, CFP		License Number 11507

**LINCOLN CHARTER TOWNSHIP**  
**BERRIEN COUNTY, MICHIGAN**

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BERRIEN COUNTY, MICHIGAN**

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**LINCOLN CHARTER TOWNSHIP**

**BERRIEN COUNTY, MICHIGAN**

**TOWNSHIP BOARD AND OFFICIALS**

**Richard Stauffer - Supervisor**

**Sharon Geisler - Clerk**

**Terrie Smith - Treasurer**

**Brian Jewell - Trustee**

**Al Pscholka - Trustee**

**Marc Florian - Trustee**

**Deborah Peterson - Trustee**



**SCARPONE & CO., P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

**June 9, 2006**

**Members of the Township Board  
Lincoln Charter Township  
Berrien County, Michigan**

**INDEPENDENT AUDITORS' REPORT**

We have audited the accompanying basic financial statements of Lincoln Charter Township as of March 31, 2006, and for the year then ended, as listed in the foregoing table of contents. These basic financial statements are the responsibility of the management of Lincoln Charter Township. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable Assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Lincoln Charter Township as of March 31, 2006, and the changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The combining funds financial statements and individual fund schedules listed as other financial information in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of Lincoln Charter Township. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

*Scarpone & Co., P.C.*

**LINCOLN CHARTER TOWNSHIP**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**March 31, 2006**

Lincoln Charter Township's Management's Discussion and Analysis is intended to assist the reader in focusing on significant Township financial issues, provide an overview of the financial activities of the Township for the year ended March 31, 2006, and changes in its financial position, identify any material deviations from the approved budget, and identify individual fund issues or concerns. Since Management's Discussion and Analysis is designed to focus on the current year's activities, resulting changes, and known facts, readers are encouraged to consider the information presented in conjunction with the Township's basic financial statements, which will follow this section.

Management's Discussion and Analysis is an introduction to the Township's basic financial statements. The Township's basic financial statements are comprised of government-wide financial statements and fund financial statements. The accompanying report also contains notes to the basic financial statements and supplementary information in addition to the basic financial statements which further explains and supports the information presented in these statements.

**Government-Wide Financial Statements:**

The Government-Wide financial statements are full accrual basis statements. They report all of the Township's assets and liabilities, both short term and long term, regardless if they are "currently available" or not. The statement of net assets and the statement of activities provide information about the activities of the Township as a whole, and therefore, present a longer-term view of the Township's financial status.

**Fund Financial Statements:**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Lincoln Charter Township, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

The fund level financial statements are reported on a modified accrual basis. Only those assets that are "measurable" and "currently available" are reported. Liabilities are recognized to the extent that they are normally expected to be paid with current financial resources.

In the fund financial statements, purchased capital assets are reported as expenditures in the year of acquisition. No asset is reported. The issuance of debt is recorded as a financial resource. The current year's payments of principal and interest on long term obligations are reported as expenditures. Future year's debt obligations are not recorded.

**LINCOLN CHARTER TOWNSHIP**

**MANAGEMENT'S DISCUSSION AND ANALYSIS-CONTINUED**

**March 31, 2006**

**FINANCIAL HIGHLIGHTS**

- \* Lincoln Charter Township's net assets overall increased by \$1.2 million, from \$29.3 million in 2004-2005 to \$30.5 million in 2005-2006. This increase largely was due to contributed capital for various fixed assets. The change in net assets due strictly from the results of operations was an overall increase of \$74,242, with net assets of governmental activities increasing \$171,686 and net assets of business-type activities decreasing \$97,444.**
- \* During the year, total expenses from the fund financial statements were \$5.6 million, of which \$3.4 million were for governmental activities and \$2.2 million were for business-type activities. In the prior fiscal year, total expenses were \$5.6 million, of which \$3.7 were for governmental activities and \$1.9 million were for business-type activities.**
- \* During the year, total revenues from the fund financial statements were \$5.5 million, of which \$3.4 million were for governmental activities and \$2.1 million were for business-type activities. In the prior fiscal year, total revenues were \$4.9 million, of which \$3.3 were for governmental activities and \$1.6 million were for business-type activities.**



**LINCOLN CHARTER TOWNSHIP**

**MANAGEMENT'S DISCUSSION AND ANALYSIS-CONTINUED**

**March 31, 2006**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net assets may serve over time as a useful indicator of a government's financial position. The following table shows that in the case of Lincoln Charter Township, assets exceed liabilities by \$30.5 million at March 31, 2006. Comparative data for the years ended March 31, 2006 and 2005, respectively, are as follows:

	March 31,	
	<u>2006</u>	<u>2005</u>
<b>ASSETS</b>		
Current assets	\$ 13,492,811	\$ 12,621,480
Capital assets	45,226,203	43,809,056
Less, accumulated depreciation	(24,901,179)	(23,566,590)
	20,325,024	20,242,466
<b>TOTAL ASSETS</b>	<b>33,817,835</b>	<b>32,863,946</b>
<b>LIABILITIES</b>		
Current liabilities	536,722	486,841
Long-term liabilities	2,780,691	3,072,156
<b>TOTAL LIABILITIES</b>	<b>3,317,413</b>	<b>3,558,997</b>
<b>NET ASSETS</b>		
Investment in capital assets, net of related debt	17,252,868	16,879,838
Reserved	2,080,495	2,038,485
Unreserved	11,167,059	10,386,626
<b>TOTAL NET ASSETS</b>	<b>\$ 30,500,422</b>	<b>\$ 29,304,949</b>

At March 31, 2006, the largest portion of Lincoln Charter Township's total net assets, \$17.3 million or 57% of the Township's net assets, reflects its investment in capital assets (e.g., land improvements, buildings, building improvements, vehicles, equipment, sewer lines and water mains), less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Lincoln Charter Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$2.0 million or 7%, of the Township's net assets represents resources that are subject to external restrictions on how they must be used. The remaining 36%, or \$11.2 million, represents net assets that may be used to meet the government's ongoing obligations to citizens and creditors. Of these unreserved net assets, \$1.2 million are related to governmental activities and \$10.0 million to business activities.

# LINCOLN CHARTER TOWNSHIP

## MANAGEMENT'S DISCUSSION AND ANALYSIS-CONTINUED

March 31, 2006

### GOVERNMENT-WIDE FINANCIAL ANALYSIS - CONCLUDED

For the years ended March 31, 2006 and 2005, respectively, the Government-Wide results of operations were as follows:

REVENUES	Year Ended March 31,	
	<u>2006</u>	<u>2005</u>
General revenues:		
Property taxes	\$ 1,552,873	\$ 1,513,634
State of Michigan aid, unrestricted	911,861	919,269
Other general revenues	978,622	605,977
	3,443,356	3,038,880
Operating grants:		
State of Michigan	2,472	4,723
Charges for services:		
General government	336,959	424,138
Public safety	13,830	11,040
Highways and streets	40,195	43,458
Sanitation and health	38,700	46,560
Recreation	-	1,000
Water and Sewer	1,647,015	1,405,315
Total revenues	5,522,527	4,975,114
EXPENDITURES		
General government	1,114,236	1,113,527
Public safety	1,182,294	1,136,329
Highways and streets	120,502	133,555
Sanitation and health	136,254	146,647
Recreation	127,591	120,970
Water and Sewer	2,169,887	1,982,723
Capital outlay (under capitalization threshold)	123,890	62,219
Interest on long-term debt	135,321	146,689
Depreciation	338,310	321,889
	5,448,285	5,164,548
Contributed capital	1,121,231	670,000
Change in net assets	1,195,473	480,566
NET ASSETS, BEGINNING OF YEAR	29,304,949	28,824,383
NET ASSETS, END OF YEAR	\$ 30,500,422	\$ 29,304,949

# LINCOLN CHARTER TOWNSHIP

## MANAGEMENT'S DISCUSSION AND ANALYSIS-CONTINUED

March 31, 2006

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### C. Net Investment in Capital Assets:

Lincoln Charter Township's investment in capital assets for its governmental and business-type activities as of March 31, 2006 was \$20,325,024 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, building improvements, vehicles, equipment, sewer lines and water mains. Net capital assets as of March 31, 2006 is as follows:

	Governmental Activities	Business-type Activities	Total
Land	\$ 783,458	\$ -	\$ 783,458
Land improvements	1,320,916	-	1,320,916
Buildings	2,696,969	-	2,696,969
Building improvements	118,190	-	118,190
Vehicles	1,460,438	-	1,460,438
Equipment	601,126	414,763	1,015,889
Sewer lines	-	28,467,763	28,467,763
Water mains	-	9,362,580	9,362,580
	6,981,097	38,245,106	45,226,203
Accumulated depreciation	(2,536,331)	(22,364,848)	(24,901,179)
Total	\$ 4,444,766	\$ 15,880,258	\$ 20,325,024

#### Debt Administration:

The Township made principal payments on bonded, long-term debt obligations and installment contracts that reduced the amount of the Township's long-term liabilities as follows:

	Principal Balance March 31, 2005	Additions	Principal Payments	Principal Balance March 31, 2006
1997 Fire Station Bonds	\$ 850,000	\$ -	\$ 75,000	\$ 775,000
1999 Library Bonds	2,225,000	-	150,000	2,075,000
Municipal Contract - Land	120,000	-	30,000	90,000
Municipal Contract - Fire Truck	167,628	-	35,472	132,156
	\$ 3,362,628	\$ -	\$ 290,472	\$ 3,072,156

**LINCOLN CHARTER TOWNSHIP**

**MANAGEMENT'S DISCUSSION AND ANALYSIS-CONCLUDED**

**March 31, 2006**

**GENERAL FUND BUDGET AND ACTUAL REVENUES & EXPENDITURES:**

**General Fund Expenditures Budget vs. Actual 5-Year history:**

<u>Fiscal Year</u>	<u>Expenditures Final Budget</u>	<u>Expenditures Final - Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Variance Actual &amp; Final Budget</u>
2005-2006	\$ 1,242,851	\$ 1,185,249	\$ 57,602	4.63%
2004-2005	1,206,185	1,097,872	108,313	8.90%
2003-2004	1,142,845	1,053,466	89,379	7.80%
2002-2003	1,089,965	1,001,416	88,549	8.10%
2001-2002	1,007,505	950,187	57,318	5.60%
	\$ 5,689,351	\$ 5,288,190	\$ 401,161	

**General Fund Revenue Budget vs. Actual 5-Year history:**

<u>Fiscal Year</u>	<u>Revenues Final Budget</u>	<u>Revenues Final - Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Variance Actual &amp; Original Budget</u>
2005-2006	\$ 1,693,901	\$ 1,814,556	\$ 120,655	7.00%
2004-2005	1,585,600	1,655,710	70,110	4.00%
2003-2004	1,664,230	1,635,786	(28,444)	(1.70%)
2002-2003	1,484,985	1,686,932	201,947	13.50%
2001-2002	1,673,260	1,629,056	(44,204)	(2.60%)
	\$ 8,101,976	\$ 8,422,040	\$ 320,064	

**Contacting the Township's Financial Management**

This financial report is intended to provide our citizens and taxpayers with a general overview of the Township's finances. If you have any questions about this report or need additional information, please contact the Lincoln Charter Township for assistance.

# LINCOLN CHARTER TOWNSHIP

## STATEMENT OF NET ASSETS

March 31, 2006

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Current Assets:</b>			
Cash and cash equivalents	\$ 3,212,307	\$ 10,021,383	\$ 13,233,690
Taxes receivable	106,878	3,208	110,086
Accounts receivable	65,023	-	65,023
Accrued interest receivable	-	694	694
Special assessments receivable	-	65,297	65,297
Due from other governments	6,579	-	6,579
Other current assets	11,442	-	11,442
Total current assets	3,402,229	10,090,582	13,492,811
<b>Noncurrent Assets:</b>			
Capital assets	6,981,097	38,245,106	45,226,203
Less, accumulated depreciation	(2,536,331)	(22,364,848)	(24,901,179)
	4,444,766	15,880,258	20,325,024
<b>TOTAL ASSETS</b>	<b>\$ 7,846,995</b>	<b>\$ 25,970,840</b>	<b>\$ 33,817,835</b>
 <u>LIABILITIES</u>			
<b>Current Liabilities:</b>			
Accounts payable	\$ 51,283	\$ 128,821	\$ 180,104
Deposits	5,107	-	5,107
Bonds payable	291,465	-	291,465
Interest payable	54,993	-	54,993
Deferred revenue	5,053	-	5,053
Total current liabilities	407,901	128,821	536,722
<b>Noncurrent Liabilities:</b>			
Bonds payable	2,780,691	-	2,780,691
<b>TOTAL LIABILITIES</b>	<b>3,188,592</b>	<b>128,821</b>	<b>3,317,413</b>
 <u>NET ASSETS</u>			
Investment in capital assets, net of related debt	1,372,610	15,880,258	17,252,868
Reserved for debt service	449,260	-	449,260
Reserved for capital projects	494,966	-	494,966
Reserved for special revenue	1,136,269	-	1,136,269
Unreserved	1,205,298	9,961,761	11,167,059
<b>TOTAL NET ASSETS</b>	<b>4,658,403</b>	<b>25,842,019</b>	<b>30,500,422</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 7,846,995</b>	<b>\$ 25,970,840</b>	<b>\$ 33,817,835</b>

See accompanying notes to basic financial statements.

**LINCOLN CHARTER TOWNSHIP**

**STATEMENT OF ACTIVITIES**

**Year ended March 31, 2006**

	Program Revenues			Net (Expense) Revenue		
	<u>Expenses</u>	<u>Charges for Services and Sales</u>	<u>Donations, Grants and Assessments</u>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
<b>Governmental Activities:</b>						
General government	\$ 1,114,236	\$ 336,959	\$ -	\$ (777,277)	\$ -	\$ (777,277)
Public safety	1,182,294	13,830	2,472	(1,165,992)	-	(1,165,992)
Highways and streets	120,502	40,195	-	(80,307)	-	(80,307)
Sanitation and health	136,254	38,700	-	(97,554)	-	(97,554)
Recreation	127,591	-	35	(127,556)	-	(127,556)
Interest on long-term debt	135,321	-	-	(135,321)	-	(135,321)
Capital outlay (under threshold)	123,890	-	3,228	(120,662)	-	(120,662)
Depreciation	338,310	-	-	(338,310)	-	(338,310)
<b>Total Governmental Activities</b>	<b>\$ 3,278,398</b>	<b>\$ 429,684</b>	<b>\$ 5,735</b>	<b>\$ (2,842,979)</b>	<b>-</b>	<b>(2,842,979)</b>
<b>Business-Type Activities:</b>						
Water and Sewer	2,169,887	1,647,015	-	-	(522,872)	(522,872)
<b>Total Primary Government</b>	<b>5,448,285</b>	<b>2,076,699</b>	<b>5,735</b>	<b>(2,842,979)</b>	<b>(522,872)</b>	<b>(3,365,851)</b>
<b>General Revenues:</b>						
Property taxes levied for general purposes				401,768	-	401,768
Property taxes levied for debt service				397,831	-	397,831
Property taxes levied for police services				753,274	-	753,274
Administration fees and delinquent taxes				159,096	-	159,096
Other taxes				9,973	-	9,973
State of Michigan aid, unrestricted				911,861	-	911,861
Interest and investment earnings				122,577	375,998	498,575
Cable franchise				117,168	-	117,168
Other revenues				141,117	49,430	190,547
<b>Total general revenues</b>				<b>3,014,665</b>	<b>425,428</b>	<b>3,440,093</b>
<b>Contributed capital</b>				<b>-</b>	<b>1,121,231</b>	<b>1,121,231</b>
<b>Change in Net Assets</b>				<b>171,686</b>	<b>1,023,787</b>	<b>1,195,473</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>				<b>4,486,717</b>	<b>24,818,232</b>	<b>29,304,949</b>
<b>NET ASSETS, END OF YEAR</b>				<b>\$ 4,658,403</b>	<b>\$ 25,842,019</b>	<b>\$ 30,500,422</b>

See accompanying notes to basic financial statements.

# LINCOLN CHARTER TOWNSHIP

## BALANCE SHEET GOVERNMENTAL FUNDS

March 31, 2006

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 1,137,083	\$ 2,075,224	\$ 3,212,307
Taxes receivable	29,845	77,033	106,878
Accounts receivable	63,584	1,439	65,023
Intergovernmental receivable	6,579	-	6,579
Due from other funds	10,858	5,883	16,741
<b>TOTAL ASSETS</b>	<b>\$ 1,247,949</b>	<b>\$ 2,159,579</b>	<b>\$ 3,407,528</b>
 <b><u>LIABILITIES</u></b>			
Accounts payable	\$ 37,544	\$ 13,739	\$ 51,283
Deposits	5,107	-	5,107
Due to other funds	-	5,299	5,299
Deferred revenue	-	5,053	5,053
<b>TOTAL LIABILITIES</b>	<b>42,651</b>	<b>24,091</b>	<b>66,742</b>
 <b><u>FUND BALANCES</u></b>			
Reserved for special revenue	-	1,136,269	1,136,269
Reserved for debt service	-	504,253	504,253
Reserved for capital projects	-	494,966	494,966
Unreserved:			
General Fund	1,205,298	-	1,205,298
<b>TOTAL FUND BALANCES</b>	<b>1,205,298</b>	<b>2,135,488</b>	<b>3,340,786</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,247,949</b>	<b>\$ 2,159,579</b>	<b>\$ 3,407,528</b>

See accompanying notes to basic financial statements.

**LINCOLN CHARTER TOWNSHIP**

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES**

**March 31, 2006**

**TOTAL FUND BALANCES-GOVERNMENTAL FUNDS** **\$ 3,340,786**

**Amounts reported for governmental activities on the statement  
of net assets are different as follows:**

**Capital assets used in governmental activities are not financial  
resources and, therefore, are not reported in the governmental funds:**

<b>Cost of capital assets</b>	<b>6,981,097</b>	
<b>Less, accumulated depreciation</b>	<b>(2,536,331)</b>	<b>4,444,766</b>

**Long term liabilities are not due and payable in the current  
period and are therefore not reported in the governmental funds:**

<b>Bonds payable</b>	<b>(3,072,156)</b>
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<b>Accrued interest payable is not recorded as a liability in the governmental funds.</b>	<b>(54,993)</b>
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**NET ASSETS OF GOVERNMENTAL ACTIVITIES** **\$ 4,658,403**

**See accompanying notes to basic financial statements.**



**LINCOLN CHARTER TOWNSHIP**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS**

**Year ended March 31, 2006**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES:</b>			
Property taxes	\$ 401,768	\$ 1,151,105	\$ 1,552,873
Administration fees	159,096	-	159,096
Other taxes	9,973	-	9,973
Licenses and permits	3,938	331,871	335,809
State sources	911,861	2,472	914,333
Cable franchise	117,168	-	117,168
Assessments	-	2,768	2,768
Interest	87,376	35,201	122,577
Charges for services	5,270	67,805	73,075
Lot sales	-	20,800	20,800
Donations	-	495	495
Miscellaneous	118,106	23,011	141,117
<b>TOTAL REVENUES</b>	<b>1,814,556</b>	<b>1,635,528</b>	<b>3,450,084</b>
<b>EXPENDITURES:</b>			
General government	763,854	356,575	1,120,429
Public safety	254,724	1,072,528	1,327,252
Highways and streets	86,447	34,055	120,502
Sanitation and health	80,224	56,030	136,254
Recreation	-	127,591	127,591
Capital projects	-	218,483	218,483
Debt service	-	359,229	359,229
<b>TOTAL EXPENDITURES</b>	<b>1,185,249</b>	<b>2,224,491</b>	<b>3,409,740</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>629,307</b>	<b>(588,963)</b>	<b>40,344</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers in	5,562	652,389	657,951
Operating transfers out	(632,098)	(25,853)	(657,951)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(626,536)</b>	<b>626,536</b>	<b>-</b>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>2,771</b>	<b>37,573</b>	<b>40,344</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>1,202,527</b>	<b>2,097,915</b>	<b>3,300,442</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 1,205,298</b>	<b>\$ 2,135,488</b>	<b>\$ 3,340,786</b>

See accompanying notes to basic financial statements.

**LINCOLN CHARTER TOWNSHIP**

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

**Year ended March 31, 2006**

**Net Change in Fund Balances - Total Governmental Funds** **\$ 40,344**

**Amounts reported for governmental activities on the statement  
of activities are different as follows:**

**Governmental funds report capital outlays as expenditures.  
However, on the statement of activities, the cost of those  
assets is allocated over their estimated useful lives as  
depreciation expense. This is the amount by which  
depreciation exceeded capital outlay in the current year:**

<b>Depreciation</b>	<b>\$ (338,310)</b>	
<b>Capital outlay-over threshold</b>	<b>174,743</b>	<b>(163,567)</b>

**Repayment of bond principal is an expenditure in the governmental  
funds, but the repayment reduces long-term liabilities on the  
statement of net assets. This is the amount of repayments  
reported as expenditures in the governmental funds.** **290,472**

**Interest is reported as an expenditure when due in the  
governmental funds, but is accrued on outstanding debt on  
the statement of activities.** **4,437**

**CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES** **\$ 171,686**

**See accompanying notes to basic financial statements.**

# LINCOLN CHARTER TOWNSHIP

## PROPRIETARY FUNDS

### STATEMENT OF NET ASSETS

March 31, 2006

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 3,666,496	\$ 6,354,887	\$ 10,021,383
Taxes receivable	2,257	951	3,208
Special assessments receivable	-	65,297	65,297
Accrued interest receivable	-	694	694
	3,668,753	6,421,829	10,090,582
Fixed assets:			
Sewer lines	28,467,763	-	28,467,763
Water mains	-	9,362,580	9,362,580
Equipment	400,657	14,106	414,763
	28,868,420	9,376,686	38,245,106
Less, accumulated depreciation	(17,627,006)	(4,737,842)	(22,364,848)
	11,241,414	4,638,844	15,880,258
<b>TOTAL ASSETS</b>	<b>\$ 14,910,167</b>	<b>\$ 11,060,673</b>	<b>\$ 25,970,840</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 46,654	\$ 82,167	\$ 128,821
<b>NET ASSETS:</b>			
Investment in Capital Assets-			
Net of Related Debt	11,241,414	4,638,844	15,880,258
Unrestricted	3,622,099	6,339,662	9,961,761
<b>TOTAL NET ASSETS</b>	<b>14,863,513</b>	<b>10,978,506</b>	<b>25,842,019</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 14,910,167</b>	<b>\$ 11,060,673</b>	<b>\$ 25,970,840</b>

See accompanying notes to basic financial statements.

# LINCOLN CHARTER TOWNSHIP

## PROPRIETARY FUNDS

### STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL

Year ended March 31, 2006

	<u>Sewer Fund</u>		<u>Water Fund</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
<b>REVENUES:</b>				
Charges for service	\$ 901,300	\$ 1,027,382	\$ 491,950	\$ 619,633
Interest	27,500	132,548	53,000	243,450
Benefit fees	-	4,020	-	20,150
Miscellaneous	-	260	25,000	25,000
<b>TOTAL REVENUES</b>	<b>928,800</b>	<b>1,164,210</b>	<b>569,950</b>	<b>908,233</b>
<b>EXPENSES:</b>				
Cost of service	559,915	482,353	319,320	319,304
Contracted services	10,900	71,669	28,360	20,141
Professional fees	6,500	20,213	9,500	10,648
Depreciation	750,000	760,194	240,000	236,085
Salaries and wages	87,045	96,420	21,075	23,554
Payroll taxes and employee benefits	36,125	39,234	3,105	3,347
Repairs and maintenance	55,535	9,043	23,270	4,963
Utilities	14,075	15,343	1,420	1,323
Insurance	15,000	13,521	7,000	6,059
Office supplies and postage	7,375	7,080	3,625	3,504
Miscellaneous	18,510	25,743	25	146
<b>TOTAL EXPENSES</b>	<b>1,560,980</b>	<b>1,540,813</b>	<b>656,700</b>	<b>629,074</b>
<b>NET INCOME (LOSS)</b>	<b>(632,180)</b>	<b>(376,603)</b>	<b>(86,750)</b>	<b>279,159</b>
Contributed capital	-	467,626	-	653,605
<b>CHANGE IN NET ASSETS</b>	<b>(632,180)</b>	<b>91,023</b>	<b>(86,750)</b>	<b>932,764</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>14,772,490</b>	<b>14,772,490</b>	<b>10,045,742</b>	<b>10,045,742</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 14,140,310</b>	<b>\$ 14,863,513</b>	<b>\$ 9,958,992</b>	<b>\$ 10,978,506</b>

See accompanying notes to basic financial statements.

	<u>Budget</u>	<u>Totals</u> <u>Actual</u>
\$	1,393,250	\$ 1,647,015
	80,500	375,998
	-	24,170
	25,000	25,260
	1,498,750	2,072,443
	879,235	801,657
	39,260	91,810
	16,000	30,861
	990,000	996,279
	108,120	119,974
	39,230	42,581
	78,805	14,006
	15,495	16,666
	22,000	19,580
	11,000	10,584
	18,535	25,889
	2,217,680	2,169,887
	(718,930)	(97,444)
	-	1,121,231
	(718,930)	1,023,787
	24,818,232	24,818,232
\$	24,099,302	\$ 25,842,019

**LINCOLN CHARTER TOWNSHIP**

**PROPRIETARY FUNDS**

**STATEMENT OF CASH FLOWS**

**Year ended March 31, 2006**

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net income (loss)	\$ (376,603)	\$ 279,159	\$ (97,444)
Adjustments to reconcile net income (loss) to net cash provided from operating activities:			
Depreciation	760,194	236,085	996,279
Changes in assets and liabilities:			
Increase in taxes receivable	(316)	(309)	(625)
Increase in special assessments receivable	-	(50,297)	(50,297)
Increase in accrued interest receivable	-	(484)	(484)
Increase (decrease) in accounts payable	(6,703)	69,317	62,614
	376,572	533,471	910,043
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchases of fixed assets	(553,868)	(688,536)	(1,242,404)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Contributed capital	467,626	653,605	1,121,231
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>290,330</b>	<b>498,540</b>	<b>788,870</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>3,376,166</b>	<b>5,856,347</b>	<b>9,232,513</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 3,666,496</b>	<b>\$ 6,354,887</b>	<b>\$ 10,021,383</b>

See accompanying notes to basic financial statements.

**LINCOLN CHARTER TOWNSHIP**

**FIDUCIARY FUNDS**

**STATEMENT OF NET ASSETS**

**March 31, 2006**

	<b><u>Trust and Agency Fund</u></b>	<b><u>Tax Collection Fund</u></b>	<b><u>Total</u></b>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 1,041	\$ 20,805	\$ 21,846
<b><u>LIABILITIES</u></b>			
Due to other funds	\$ -	\$ 11,442	\$ 11,442
Due to other governments	1,041	9,363	10,404
	\$ 1,041	\$ 20,805	\$ 21,846

See accompanying notes to basic financial statements.

**LINCOLN CHARTER TOWNSHIP**

**FIDUCIARY FUNDS**

**COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES**

**Year ended March 31, 2006**

**TRUST AND AGENCY FUND**

	Balance March 31, <u>2005</u>	<u>Additions</u>	<u>Deductions</u>	Balance March 31, <u>2006</u>
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 720	\$ 734,971	\$ 734,650	\$ 1,041
 <b><u>LIABILITIES</u></b>				
Accounts payable	\$ -	\$ 254	\$ 254	\$ -
Due to other funds	-	93,321	93,321	-
Due to other governments	720	47,440	47,119	1,041
Payroll taxes, withholdings, and employee benefits	-	593,956	593,956	-
	\$ 720	\$ 734,971	\$ 734,650	\$ 1,041

**TAX COLLECTION FUND**

	Balance March 31, <u>2005</u>	<u>Additions</u>	<u>Deductions</u>	Balance March 31, <u>2006</u>
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 40	\$ 15,788,513	\$ 15,767,748	\$ 20,805
 <b><u>LIABILITIES</u></b>				
Accounts payable	\$ -	\$ 46,671	\$ 46,671	\$ -
Due to other funds	40	1,758,263	1,746,861	11,442
Due to other governments	-	13,983,579	13,974,216	9,363
	\$ 40	\$ 15,788,513	\$ 15,767,748	\$ 20,805

See accompanying notes to basic financial statements.



LINCOLN CHARTER TOWNSHIP

FIDUCIARY FUNDS

COMBINING STATEMENTS OF CHANGES IN ASSETS AND LIABILITIES - CONCLUDED

Year ended March 31, 2006

TOTALS - FIDUCIARY FUNDS

	Balance March 31, <u>2005</u>	<u>Additions</u>	<u>Deductions</u>	Balance March 31, <u>2006</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 760	\$ 16,523,484	\$ 16,502,398	\$ 21,846
<u>LIABILITIES</u>				
Accounts payable	\$ -	\$ 46,925	\$ 46,925	\$ -
Due to other funds	40	1,851,584	1,840,182	11,442
Due to other governments	720	14,031,019	14,021,335	10,404
Payroll taxes, withholdings, and employee benefits	-	593,956	593,956	-
	\$ 760	\$ 16,523,484	\$ 16,502,398	\$ 21,846

See accompanying notes to basic financial statements.

**LINCOLN CHARTER TOWNSHIP**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Year ended March 31, 2006**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FUND FINANCIAL STATEMENT PRESENTATION:**

The accounting policies of Lincoln Charter Township ("Township") conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. A summary of the significant policies adopted by the Township are as follows:

**REPORTING ENTITY:**

The Township is a municipal corporation governed by an elected Supervisor and a six-member board. As required by generally accepted accounting principles, these financial statements present Lincoln Charter Township as the primary government. The Tax Collection Fund and the Trust & Agency Fund are included in this report due to the fiduciary responsibility that the Township exercises over these respective funds.

**GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS:**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Township's government wide activities consist of both governmental activities and business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenue includes (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes, intergovernmental payments, and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**LINCOLN CHARTER TOWNSHIP**

**NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED**

**Year ended March 31, 2006**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:**

**MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FUND FINANCIAL STATEMENT PRESENTATION:**

**Government-Wide Statements** - The government-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants, categorical aid and similar items are recognized as revenue as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

**Fund Based Statements** - Governmental fund financial statements are reported using current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as it is both measurable and available. Revenues are considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures related to compensated absences and severance pay, are recorded only when payment is due.

Property taxes, unrestricted state aid, intergovernmental grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the government.

The fiduciary fund statement is also reported using the economic resources measurement focus and the accrual basis of accounting.

The Township reports the following major governmental fund:

**General Fund** - The General Fund is the general operating fund of the Township and accounts for all revenues and expenditures of the Township not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

Additionally, the Township reports the following fund types:

**Special Revenue Funds** - The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The Township maintains full control of these funds.

**LINCOLN CHARTER TOWNSHIP**

**NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED**

**Year ended March 31, 2006**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:**

**MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FUND FINANCIAL STATEMENT PRESENTATION - CONCLUDED:**

**Capital Projects Funds - The Capital Projects Funds are used to account for the accumulation of resources appropriated for capital outlay expenditures.**

**Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.**

**Proprietary Fund Type - The Proprietary Funds account for Township operations that are financed and operated in a manner similar to private business enterprise, where the intent of the Township board is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.**

**Fiduciary Fund Type - The Fiduciary Fund is used to account for assets held by the Township in a trustee capacity or as an agent. Fiduciary Fund net assets and results of operations are not included in the Government-Wide financial statements. Fiduciary Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Township presently maintains a Tax Collection Fund and a Trust & Agency Fund.**

**BUDGETS AND BUDGETARY ACCOUNTING:**

**The Township Board follows the following procedures in establishing the budgetary data reflected in the basic financial statements:**

- 1. Prior to March 31, proposed operating budgets by fund are submitted to the Township Board for the fiscal year commencing April 1.**
- 2. A public hearing is conducted to obtain taxpayer comments.**
- 3. The operating budgets are legally enacted through passage of a board resolution.**
- 4. Any budget revisions must be approved by the Township Board.**
- 5. Budgets are adopted for the respective fund types using the basis of accounting described above.**

**COMPENSATING ABSENCES:**

**The Township's personnel policies do not permit the accumulation and carryforward of vacation and sick days. Accordingly, no accrual has been recorded by the Township at March 31, 2006 for compensated absences, since such amounts are not material.**

**LINCOLN CHARTER TOWNSHIP**

**NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED**

**Year ended March 31, 2006**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED:**

**CASH AND CASH EQUIVALENTS:**

Cash and cash equivalents are recorded at cost and include cash investments with original maturities of three months or less.

**INVESTMENTS:**

Investments are recorded at cost which approximates market value:

The types of investments authorized by resolution of the Board are as follows:

Bonds, securities and other obligations of the United States, or an agency of the United States, the principal and interest of which are fully guaranteed by the United States.

Certificates of deposit, savings accounts, deposits accounts or depository receipts of banks, savings and loan associations, or credit unions which are insured and which meet all criteria as a depository of public funds.

Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and maturing no more than 270 days after date of purchase.

United States government or federal agency obligation repurchase agreements.

Bankers' acceptances of United States banks.

Investment pools organized under the surplus funds investment pool act, 1982, PA 367, 129.111 to 129.118.

Mutual funds registered under the investment company act of 1940, title I of chapter 686.

**LINCOLN CHARTER TOWNSHIP**

**NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED**

**Year ended March 31, 2006**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONCLUDED:**

**ESTIMATES:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**TAX INFORMATION:**

The Township property tax is levied each December 1, based on the state taxable valuation of property located in the Township as of the preceding December 31.

The Township's policy is to recognize revenues from the current tax levy in the year of levy.

The 2005 state taxable value of Lincoln Charter Township amounted to approximately \$499,000,000 on which ad valorem taxes levied for Township operating purposes consisted of .78770 mills or approximately \$393,000. Additionally, taxes levied for police operations consisted of 1.47680 mills or approximately \$736,000, and debt retirement consisted of .780 mills or approximately \$389,000.

**CAPITAL ASSETS:**

Capital assets, which include land, buildings, equipment, and vehicles are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an individual cost of \$1,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs of normal repair and maintenance that do not add to the value or materially extend asset life are not capitalized.

Buildings, equipment, and vehicles are depreciated using the straight-line method of depreciation over the following useful lives:

Land improvements	20 years
Buildings	40 years
Building improvements	10-20 years
Vehicles	3-10 years
Equipment	3-10 years

**LINCOLN CHARTER TOWNSHIP**

**NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED**

**Year ended March 31, 2006**

**NOTE B - CASH AND CASH EQUIVALENTS:**

Cash and cash equivalents consisted of the following at March 31, 2006:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Fiduciary Funds</u>	<u>Total Primary Government</u>
Deposits in financial institutions	\$ 3,211,807	\$ 10,021,383	\$ 21,846	\$ 13,255,036
Petty cash	500	-	-	500
	\$ 3,212,307	\$ 10,021,383	\$ 21,846	\$ 13,255,536

The above deposits in financial institutions of \$13,255,036 were reflected in the accounts of the Township's financial institutions (without recognition of checks written but not yet cleared, or of deposits in transit) at \$14,485,010. Of this amount, approximately \$500,000 was covered by federal depository insurance coverage and \$13,985,010 was uninsured and uncollateralized.

**NOTE C - EMPLOYEE BENEFIT PLAN:**

The Township has a contributory pension plan covering substantially all employees. The plan is administered by Burnham & Flower Agency, Inc. Contributions are accrued and funded on a current basis. Employee rights are vested at the time of contribution.

Employer pension expenditures amounted to \$141,645 for the year ended March 31, 2006.

**NOTE D - SEGMENT INFORMATION - ENTERPRISE FUNDS:**

The Township maintains two Enterprise Funds which are intended to be self-supporting through user fees charges for services to the general public. Financial segment information as of and for the year ended March 31, 2006 is presented below:

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
Operating revenue	\$ 1,164,210	\$ 908,233	\$ 2,072,443
Depreciation expense	760,194	236,085	996,279
Net income (loss)	(376,603)	279,159	(97,444)
Current capital contributions	467,626	653,605	1,121,231
Fixed asset additions	553,868	688,536	1,242,404
Net working capital	3,622,099	6,339,662	9,961,761
Total assets	14,910,167	11,060,673	25,970,840
Total net assets	14,863,513	10,978,506	25,842,019

# LINCOLN CHARTER TOWNSHIP

## NOTES TO BASIC FINANCIAL STATEMENTS-CONCLUDED

Year ended March 31, 2006

### NOTE E - CAPITAL ASSETS:

Capital asset activity of the Township's Governmental activities for the year ended March 31, 2006 was as follows:

	Balance March 31, <u>2005</u>	<u>Additions</u>	<u>Deletions</u>	Balance March 31, <u>2006</u>
<b>Assets not being depreciated:</b>				
<b>Land</b>	\$ 783,458	\$ -	\$ -	\$ 783,458
<b>Capital assets being depreciated:</b>				
<b>Land improvements</b>	1,320,916	-	-	1,320,916
<b>Buildings</b>	2,696,969	-	-	2,696,969
<b>Building improvements</b>	108,690	9,500	-	118,190
<b>Vehicles</b>	1,438,007	22,431	-	1,460,438
<b>Equipment</b>	458,314	142,812	-	601,126
	6,022,896	174,743	-	6,197,639
<b>Accumulated depreciation:</b>				
<b>Land improvements</b>	665,110	54,667	-	719,777
<b>Buildings</b>	772,294	70,379	-	842,673
<b>Equipment</b>	31,440	6,144	-	37,584
<b>Vehicles</b>	461,377	151,648	-	613,025
<b>Equipment</b>	267,800	55,472	-	323,272
	2,198,021	338,310	-	2,536,331
<b>Net capital assets     being depreciated</b>	3,824,875	(163,567)	-	3,661,308
<b>Net capital assets</b>	\$ 4,608,333	\$ (163,567)	\$ -	\$ 4,444,766



# LINCOLN CHARTER TOWNSHIP

## NOTES TO BASIC FINANCIAL STATEMENTS-CONTINUED

Year ended March 31, 2006

### NOTE F - GENERAL LONG-TERM DEBT:

General long-term debt consisted of the following at March 31, 2006:

2.78% municipal purchase contract payable to Bank One Leasing Corporation, payable in annual installments of \$19,944 including interest, final payment due May, 2009	\$ 132,156
2.4% - 3.2% municipal purchase contract payable to Horizon Bank, payable in annual installments of \$30,000 plus interest, final payment due November, 2008	90,000
4.8% - 5.3% Unlimited Tax General Obligation Fire Station Bonds, with annual principal payments of \$75,000 to \$150,000 and semi-annual interest payments, final maturity May, 2012	775,000
4.0% - 4.3% Unlimited Tax General Obligation Library Bonds, with annual principal payments of \$125,000 to \$325,000 and semi-annual interest payments, final maturity May, 2014	2,075,000
	<u>\$ 3,072,156</u>

The principal reductions of general long-term debt for each of the next five years ending March 31, are as follows:

2007	\$ 291,465
2008	342,486
2009	368,535
2010	319,670
2011	350,000
Thereafter	1,400,000
	<u>\$ 3,072,156</u>

The following is a summary of the changes in general long-term debt for the year ended March 31, 2006:

	Balance March 31, 2005	Additions	Deductions	Balance March 31, 2006
Bonds payable	\$ 3,075,000	\$ -	\$ 225,000	\$ 2,850,000
Notes payable	287,628	-	65,472	222,156
	<u>\$ 3,362,628</u>	<u>\$ -</u>	<u>\$ 290,472</u>	<u>\$ 3,072,156</u>

**REQUIRED SUPPLEMENTAL INFORMATION**

**LINCOLN CHARTER TOWNSHIP**

**REQUIRED SUPPLEMENTAL INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND**

**Year ended March 31, 2006**

	<b>Budgeted Amounts</b>			<b>Variance with Final Budget Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES:</b>				
Property taxes	\$ 387,850	\$ 387,850	\$ 402,806	\$ 14,956
Administration fees	142,800	142,800	158,058	15,258
Other taxes	3,470	3,470	9,973	6,503
Licenses and permits	2,080	2,080	3,938	1,858
State sources	915,000	915,000	911,861	(3,139)
Cable franchise	112,000	112,000	117,168	5,168
Interest income	15,000	15,000	87,376	72,376
Charges for services	11,480	11,480	5,270	(6,210)
Miscellaneous	42,000	104,221	118,106	13,885
Operating transfers-in	10,320	10,320	5,562	(4,758)
	<u>1,642,000</u>	<u>1,704,221</u>	<u>1,820,118</u>	<u>115,897</u>
<b>EXPENDITURES:</b>				
General government	765,165	797,365	763,854	33,511
Public safety	193,090	260,311	254,724	5,587
Highways and streets	104,950	104,950	86,447	18,503
Sanitation and health	80,225	80,225	80,224	1
Operating transfers-out	632,098	632,098	632,098	-
<b>TOTAL EXPENDITURES</b>	<u>1,775,528</u>	<u>1,874,949</u>	<u>1,817,347</u>	<u>57,602</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(133,528)	(170,728)	2,771	173,499
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>1,202,527</u>	<u>1,202,527</u>	<u>1,202,527</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	\$ <u>1,068,999</u>	\$ <u>1,031,799</u>	\$ <u>1,205,298</u>	\$ <u>173,499</u>

See accompanying notes to basic financial statements.

OTHER SUPPLEMENTAL INFORMATION

**LINCOLN CHARTER TOWNSHIP**  
**COMBINED BALANCE SHEETS**  
**NONMAJOR GOVERNMENTAL FUNDS**

March 31, 2006

<u>ASSETS</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals</u>
Cash and cash equivalents	\$ 1,100,266	\$ 480,238	\$ 494,720	\$ 2,075,224
Taxes receivable	47,907	23,827	5,299	77,033
Accounts receivable and other	1,439	-	-	1,439
Due from other funds	396	188	5,299	5,883
<b>TOTAL ASSETS</b>	<b>\$ 1,150,008</b>	<b>\$ 504,253</b>	<b>\$ 505,318</b>	<b>\$ 2,159,579</b>
 <b><u>LIABILITIES AND FUND EQUITY</u></b>				
Accounts payable	\$ 13,739	\$ -	\$ -	\$ 13,739
Due to other funds	-	-	5,299	5,299
Deferred revenue	-	-	5,053	5,053
<b>TOTAL LIABILITIES</b>	<b>13,739</b>	<b>-</b>	<b>10,352</b>	<b>24,091</b>
<b>TOTAL FUND EQUITY</b>	<b>1,136,269</b>	<b>504,253</b>	<b>494,966</b>	<b>2,135,488</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 1,150,008</b>	<b>\$ 504,253</b>	<b>\$ 505,318</b>	<b>\$ 2,159,579</b>

See accompanying notes to basic financial statements.

**LINCOLN CHARTER TOWNSHIP**

**COMBINED STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - ALL  
NONMAJOR GOVERNMENTAL FUNDS**

**Year ended March 31, 2006**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals</u>
<b>REVENUES:</b>				
Property and other taxes	\$ 753,274	\$ 397,831	\$ -	\$ 1,151,105
Licenses and permits	331,871	-	-	331,871
State sources	2,472	-	-	2,472
Assessments	-	-	2,768	2,768
Interest	15,960	1,714	17,527	35,201
Charges for service	67,805	-	-	67,805
Lot sales	20,800	-	-	20,800
Donations	35	-	460	495
Miscellaneous	21,546	-	1,465	23,011
	<u>1,213,763</u>	<u>399,545</u>	<u>22,220</u>	<u>1,635,528</u>
<b>EXPENDITURES:</b>				
General government	356,575	-	-	356,575
Public safety	1,072,528	-	-	1,072,528
Highways and streets	34,055	-	-	34,055
Sanitation and health	56,030	-	-	56,030
Recreation	127,591	-	-	127,591
Capital projects	-	-	218,483	218,483
Debt service	-	359,229	-	359,229
	<u>1,646,779</u>	<u>359,229</u>	<u>218,483</u>	<u>2,224,491</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(433,016)</u>	<u>40,316</u>	<u>(196,263)</u>	<u>(588,963)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in	495,126	-	157,263	652,389
Operating transfers out	(20,042)	(5,811)	-	(25,853)
	<u>475,084</u>	<u>(5,811)</u>	<u>157,263</u>	<u>626,536</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<u>42,068</u>	<u>34,505</u>	<u>(39,000)</u>	<u>37,573</u>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>1,094,201</u>	<u>469,748</u>	<u>533,966</u>	<u>2,097,915</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 1,136,269</u>	<u>\$ 504,253</u>	<u>\$ 494,966</u>	<u>\$ 2,135,488</u>

See accompanying notes to basic financial statements.

**LINCOLN CHARTER TOWNSHIP**

**SPECIAL REVENUE FUNDS**

**COMBINING BALANCE SHEETS**

**March 31, 2006**

	<u>Parks</u>	<u>Cemetery</u>	<u>Police</u>	<u>Street Lighting</u>	<u>Building</u>	<u>Total</u>
<b><u>ASSETS</u></b>						
Cash and cash equivalents	\$ 11,028	\$ 87,263	\$ 821,103	\$ 59,227	\$ 121,645	\$ 1,100,266
Taxes receivable	-	-	43,925	3,982	-	47,907
Accounts receivable	41	-	1,353	-	45	1,439
Due from other funds	-	-	396	-	-	396
<b>TOTAL ASSETS</b>	<b>\$ 11,069</b>	<b>\$ 87,263</b>	<b>\$ 866,777</b>	<b>\$ 63,209</b>	<b>\$ 121,690</b>	<b>\$ 1,150,008</b>

**LIABILITIES AND FUND EQUITY**

<b>LIABILITIES:</b>						
Accounts payable	\$ 3,950	\$ 152	\$ 5,888	\$ -	\$ 3,749	\$ 13,739
<b>FUND EQUITY</b>						
Fund Balances	7,119	87,111	860,889	63,209	117,941	1,136,269
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 11,069</b>	<b>\$ 87,263</b>	<b>\$ 866,777</b>	<b>\$ 63,209</b>	<b>\$ 121,690</b>	<b>\$ 1,150,008</b>

See accompanying notes to basic financial statements.

**LINCOLN CHARTER TOWNSHIP**

**SPECIAL REVENUE FUNDS**

**COMBINING STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

**Year ended March 31, 2006**

	<u>Parks</u>		<u>Cemetery</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
<b>REVENUES:</b>				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
State sources	-	-	-	-
Interest	100	554	200	1,984
Charges for service	850	-	18,000	17,900
Lot sales	-	-	19,000	20,800
Donations	-	35	-	-
Miscellaneous	-	193	-	69
<b>TOTAL REVENUES</b>	<b>950</b>	<b>782</b>	<b>37,200</b>	<b>40,753</b>
<b>EXPENDITURES:</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Sanitation and health	-	-	75,695	56,030
Recreation	133,305	127,591	-	-
<b>TOTAL EXPENDITURES</b>	<b>133,305</b>	<b>127,591</b>	<b>75,695</b>	<b>56,030</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(132,355)</b>	<b>(126,809)</b>	<b>(38,495)</b>	<b>(15,277)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in	146,835	146,835	25,000	25,000
Operating transfers out	(14,480)	(14,480)	-	-
	<b>132,355</b>	<b>132,355</b>	<b>25,000</b>	<b>25,000</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>-</b>	<b>5,546</b>	<b>(13,495)</b>	<b>9,723</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>1,573</b>	<b>1,573</b>	<b>77,388</b>	<b>77,388</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 1,573</b>	<b>\$ 7,119</b>	<b>\$ 63,893</b>	<b>\$ 87,111</b>

See accompanying notes to basic financial statements.



<u>Police</u>		<u>Street Lighting</u>		<u>Building</u>		<u>Totals</u>	
<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
\$ 727,730	\$ 753,274	\$ -	\$ -	\$ -	\$ -	\$ 727,730	\$ 753,274
5,000	5,475	-	-	280,000	326,396	285,000	331,871
-	2,472	-	-	-	-	-	2,472
2,200	9,347	150	-	500	4,075	3,150	15,960
2,300	8,355	36,000	40,195	4,000	1,355	61,150	67,805
-	-	-	-	-	-	19,000	20,800
-	-	-	-	-	-	-	35
20,000	21,284	-	-	-	-	20,000	21,546
757,230	800,207	36,150	40,195	284,500	331,826	1,116,030	1,213,763
-	-	-	-	380,135	356,575	380,135	356,575
1,091,950	1,072,528	-	-	-	-	1,091,950	1,072,528
-	-	36,000	34,055	-	-	36,000	34,055
-	-	-	-	-	-	75,695	56,030
-	-	-	-	-	-	133,305	127,591
1,091,950	1,072,528	36,000	34,055	380,135	356,575	1,717,085	1,646,779
(334,720)	(272,321)	150	6,140	(95,635)	(24,749)	(601,055)	(433,016)
317,480	323,291	-	-	-	-	489,315	495,126
-	-	-	-	(8,320)	(5,562)	(22,800)	(20,042)
317,480	323,291	-	-	(8,320)	(5,562)	466,515	475,084
(17,240)	50,970	150	6,140	(103,955)	(30,311)	(134,540)	42,068
809,919	809,919	57,069	57,069	148,252	148,252	1,094,201	1,094,201
\$ 792,679	\$ 860,889	\$ 57,219	\$ 63,209	\$ 44,297	\$ 117,941	\$ 959,661	\$ 1,136,269

**LINCOLN CHARTER TOWNSHIP**

**DEBT SERVICE FUNDS**

**COMBINING BALANCE SHEETS**

**March 31, 2006**

	<u>Fire Station</u>	<u>Police Installment</u>	<u>Library Bond</u>	<u>Total</u>
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 157,515	\$ -	\$ 322,723	\$ 480,238
Taxes receivable	7,792	-	16,035	23,827
Due from other funds	61	-	127	188
	<u>165,368</u>	<u>-</u>	<u>338,885</u>	<u>504,253</u>
<b><u>FUND EQUITY</u></b>				
<b>FUND EQUITY</b>				
Fund Balances	\$ 165,368	\$ -	\$ 338,885	\$ 504,253

See accompanying notes to basic financial statements.

**LINCOLN CHARTER TOWNSHIP**

**DEBT SERVICE FUNDS**

**COMBINING STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**

**Year ended March 31, 2006**

	<u>Fire Station</u>	<u>Police Installment</u>	<u>Library Bond</u>	<u>Total</u>
<b>REVENUES:</b>				
Tax sources	\$ 127,501	\$ -	\$ 270,330	\$ 397,831
Interest	1,454	77	183	1,714
<b>TOTAL REVENUES</b>	<b>128,955</b>	<b>77</b>	<b>270,513</b>	<b>399,545</b>
<b>EXPENDITURES:</b>				
Bond principal payments	75,000	-	150,000	225,000
Interest	41,087	-	90,581	131,668
Other	725	1,161	675	2,561
<b>TOTAL EXPENDITURES</b>	<b>116,812</b>	<b>1,161</b>	<b>241,256</b>	<b>359,229</b>
<b>EXCESS (DEFICIENCY) OF REVENUES       OVER EXPENDITURES</b>	<b>12,143</b>	<b>(1,084)</b>	<b>29,257</b>	<b>40,316</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers out	-	(5,811)	-	(5,811)
<b>EXCESS (DEFICIENCY) OF REVENUES       AND OTHER FINANCING SOURCES       OVER EXPENDITURES AND OTHER       FINANCING USES</b>	<b>12,143</b>	<b>(6,895)</b>	<b>29,257</b>	<b>34,505</b>
<b>FUND BALANCES,   BEGINNING OF YEAR</b>	<b>153,225</b>	<b>6,895</b>	<b>309,628</b>	<b>469,748</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 165,368</b>	<b>\$ -</b>	<b>\$ 338,885</b>	<b>\$ 504,253</b>

See accompanying notes to basic financial statements.

**LINCOLN CHARTER TOWNSHIP**

**CAPITAL PROJECTS FUNDS**

**COMBINING BALANCE SHEETS**

**March 31, 2006**

	<u>Parks Capital Improve.</u>	<u>Township Improve.</u>	<u>Police Capital Improve.</u>	<u>Cleveland Ave. Special Assess.</u>	<u>Glenlord Special Assess.</u>	<u>Total</u>
<b><u>ASSETS</u></b>						
Cash and equivalents	\$ 42,381	\$ 442,121	\$ 10,218	\$ -	\$ -	\$ 494,720
Special assessment rec.	-	-	-	2,232	3,067	5,299
Due from other funds	-	5,299	-	-	-	5,299
	<u>\$ 42,381</u>	<u>\$ 447,420</u>	<u>\$ 10,218</u>	<u>\$ 2,232</u>	<u>\$ 3,067</u>	<u>\$ 505,318</u>
<b><u>LIABILITIES AND FUND EQUITY</u></b>						
<b>LIABILITIES:</b>						
Due to other funds	\$ -	\$ -	\$ -	\$ 2,232	\$ 3,067	\$ 5,299
Deferred revenue	-	-	-	2,143	2,910	5,053
	-	-	-	4,375	5,977	10,352
<b>FUND EQUITY:</b>						
Fund balances	42,381	447,420	10,218	(2,143)	(2,910)	494,966
	<u>\$ 42,381</u>	<u>\$ 447,420</u>	<u>\$ 10,218</u>	<u>\$ 2,232</u>	<u>\$ 3,067</u>	<u>\$ 505,318</u>

See accompanying notes to basic financial statements.

# LINCOLN CHARTER TOWNSHIP

## CAPITAL PROJECTS FUNDS

### COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

Year ended March 31, 2006

	<u>Parks Capital Improvement</u>		<u>Township Improvement</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
<b>REVENUES:</b>				
Special assessments	\$ -	\$ -	\$ -	\$ -
Donations	-	460	-	-
Interest	100	64	5,000	17,421
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<b>100</b>	<b>524</b>	<b>5,000</b>	<b>17,421</b>
<b>EXPENDITURES:</b>				
Capital projects	59,363	39,157	157,060	156,895
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(59,263)</b>	<b>(38,633)</b>	<b>(152,060)</b>	<b>(139,474)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in	59,263	59,263	75,000	75,000
Operating transfers out	-	-	(5,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>59,263</b>	<b>59,263</b>	<b>70,000</b>	<b>75,000</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>-</b>	<b>20,630</b>	<b>(82,060)</b>	<b>(64,474)</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>21,751</b>	<b>21,751</b>	<b>511,894</b>	<b>511,894</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 21,751</b>	<b>\$ 42,381</b>	<b>\$ 429,834</b>	<b>\$ 447,420</b>

See accompanying notes to basic financial statements.

<u>Police Capital Improvement</u>		<u>Cleveland Ave. Special Assessment</u>		<u>Glenlord Sidewalk Special Assessment</u>		<u>Totals</u>	
<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
\$ -	\$ -	\$ -	\$ 1,798	\$ -	\$ 970	\$ -	\$ 2,768
-	-	-	-	-	-	-	460
30	42	-	-	-	-	5,030	17,527
-	1,465	-	-	-	-	-	1,465
30	1,507	-	1,798	-	970	5,030	22,220
23,000	22,431	-	-	-	-	239,423	218,483
(22,970)	(20,924)	-	1,798	-	970	(234,393)	(196,263)
23,000	23,000	-	-	-	-	157,263	157,263
-	-	-	-	-	-	(5,000)	-
23,000	23,000	-	-	-	-	152,263	157,263
30	2,076	-	1,798	-	970	(82,130)	(39,000)
8,142	8,142	(3,941)	(3,941)	(3,880)	(3,880)	533,966	533,966
\$ 8,172	\$ 10,218	\$ (3,941)	\$ (2,143)	\$ (3,880)	\$ (2,910)	\$ 451,836	\$ 494,966

# LINCOLN CHARTER TOWNSHIP

## GENERAL FUND

### SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

Year ended March 31, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>GENERAL GOVERNMENT:</b>			
Township trustees:			
Wages	\$ 16,810	\$ 16,808	\$ (2)
Employee benefits	9,650	9,208	(442)
	<u>26,460</u>	<u>26,016</u>	<u>(444)</u>
Supervisor:			
Wages	41,310	36,566	(4,744)
Employee benefits	9,735	9,456	(279)
Supplies and postage	650	703	53
Contractual services	300	-	(300)
Legal and professional	-	2,744	2,744
Telephone	360	360	-
Vehicle and mileage	1,000	1,324	324
Repairs and maintenance	-	26	26
Conferences and workshops	2,300	1,657	(643)
Dues and subscriptions	600	72	(528)
	<u>56,255</u>	<u>52,908</u>	<u>(3,347)</u>
Assessor:			
Wages	87,520	86,957	(563)
Employee benefits	32,790	32,237	(553)
Supplies and postage	7,700	5,830	(1,870)
Contractual services	3,000	1,500	(1,500)
Tax statement mailing	1,100	1,415	315
Vehicle and mileage	1,200	90	(1,110)
Legal and professional fees	2,000	6,639	4,639
Conferences and workshops	4,500	2,560	(1,940)
Dues and subscriptions	300	2,240	1,940
Capital outlay	-	1,310	1,310
Miscellaneous	1,950	816	(1,134)
	<u>142,060</u>	<u>141,594</u>	<u>(466)</u>
Clerk:			
Wages	63,745	64,098	353
Employee benefits	32,170	31,381	(789)
Supplies and postage	800	443	(357)
Contractual services	1,200	1,117	(83)
Vehicle and mileage	50	201	151
Conferences and workshops	2,300	1,358	(942)
Dues and subscriptions	220	272	52
	<u>100,485</u>	<u>98,870</u>	<u>(1,615)</u>

See accompanying notes to basic financial statements.

**LINCOLN CHARTER TOWNSHIP**

**GENERAL FUND**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - CONTINUED**

**Year ended March 31, 2006**

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>GENERAL GOVERNMENT - CONTINUED:</b>			
Treasurer:			
Wages	\$ 37,535	\$ 37,897	\$ 362
Employee benefits	19,665	19,305	(360)
Computer service	20,880	20,852	(28)
Tax statement mailing	2,550	2,426	(124)
Legal and professional	700	1,375	675
Contractual services	300	410	110
Supplies and postage	7,405	7,677	272
Vehicle and mileage	950	629	(321)
Conferences and workshops	2,200	1,142	(1,058)
Miscellaneous	75	102	27
	<u>92,260</u>	<u>91,815</u>	<u>(445)</u>
Elections:			
Wages	8,570	6,630	(1,940)
Employee benefits	655	169	(486)
Contractual services	1,500	385	(1,115)
Supplies and postage	8,360	6,356	(2,004)
Vehicle and mileage	60	76	16
Printing and publishing	175	1,566	1,391
Conferences and workshops	50	-	(50)
Meals	280	288	8
Miscellaneous	900	999	99
	<u>20,550</u>	<u>16,469</u>	<u>(4,081)</u>
Board of Review:			
Wages	1,000	900	(100)
Employee benefits	80	69	(11)
Conferences and workshops	50	-	(50)
Printing and publishing	400	331	(69)
	<u>1,530</u>	<u>1,300</u>	<u>(230)</u>

See accompanying notes to basic financial statements.



**LINCOLN CHARTER TOWNSHIP**

**GENERAL FUND**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - CONTINUED**

Year ended March 31, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>GENERAL GOVERNMENT - CONCLUDED:</b>			
General and Administrative:			
Wages	\$ 60,470	\$ 51,952	\$ (8,518)
Employee benefits	16,140	11,032	(5,108)
Supplies and postage	8,675	9,847	1,172
Contractual services	10,200	8,807	(1,393)
Repairs and maintenance	2,945	1,560	(1,385)
Conferences and workshops	2,200	1,380	(820)
Legal and professional fees	41,900	50,287	8,387
Insurance	36,730	33,180	(3,550)
Community promotions	25,400	22,777	(2,623)
Telephone	7,920	8,413	493
Printing and publishing	11,700	8,553	(3,147)
Dues and subscriptions	4,440	4,625	185
Capital outlay	-	1,152	1,152
Miscellaneous	155	934	779
	<u>228,875</u>	<u>214,499</u>	<u>(14,376)</u>
Township Maintenance:			
Wages	19,030	14,787	(4,243)
Employee benefits	14,585	12,551	(2,034)
Operating supplies	2,800	2,410	(390)
Contractual services	480	476	(4)
Vehicle and mileage	1,105	1,405	300
Utilities	5,240	5,553	313
Repairs and maintenance	14,085	12,459	(1,626)
Capital outlay	1,125	1,552	427
Miscellaneous	390	333	(57)
	<u>58,840</u>	<u>51,526</u>	<u>(7,314)</u>
Planning and Zoning:			
Wages	13,000	8,280	(4,720)
Employee benefits	1,000	633	(367)
Office supplies and postage	50	27	(23)
Contractual services	34,200	35,807	1,607
Legal fees	19,400	21,567	2,167
Printing and publishing	1,500	1,414	(86)
Conferences and workshops	500	625	125
Miscellaneous	400	504	104
	<u>70,050</u>	<u>68,857</u>	<u>(1,193)</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<b>797,365</b>	<b>763,854</b>	<b>(33,511)</b>

See accompanying notes to basic financial statements.

**LINCOLN CHARTER TOWNSHIP**

**GENERAL FUND**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - CONCLUDED**

Year ended March 31, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
<b>PUBLIC SAFETY:</b>			
<b>Fire Department:</b>			
Wages	\$ 73,765	\$ 63,543	\$ (10,222)
Employee benefits	9,165	9,840	675
Operating supplies	28,800	17,454	(11,346)
Contractual services	2,000	1,197	(803)
Insurance	25,000	23,713	(1,287)
Professional fees	-	73	73
Telephone	3,600	2,921	(679)
Repairs and maintenance	13,835	15,918	2,083
Conferences and workshops	5,000	80	(4,920)
Training and instruction	1,500	210	(1,290)
Utilities	9,815	10,753	938
Office supplies and postage	700	768	68
Vehicle and mileage	1,500	2,582	1,082
Capital outlay	85,221	105,428	20,207
Miscellaneous	410	244	(166)
<b>TOTAL PUBLIC SAFETY</b>	<u>260,311</u>	<u>254,724</u>	<u>(5,587)</u>
<b>HIGHWAYS AND STREETS:</b>			
Drains	25,250	23,218	(2,032)
Roads and bridges	37,700	24,756	(12,944)
Street lighting	42,000	38,473	(3,527)
<b>TOTAL HIGHWAYS AND STREETS</b>	<u>104,950</u>	<u>86,447</u>	<u>(18,503)</u>
<b>SANITATION AND HEALTH:</b>			
Ambulance subsidy	80,225	80,224	(1)
<b>TOTAL EXPENDITURES</b>	\$ <u>1,242,851</u>	\$ <u>1,185,249</u>	\$ <u>(57,602)</u>

See accompanying notes to basic financial statements.

**LINCOLN CHARTER TOWNSHIP**  
**LONG-TERM DEBT - 1997 UNLIMITED TAX GENERAL**  
**OBLIGATION FIRE STATION BONDS**  
**SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS**

March 31, 2006

<u>Year Ending</u> <u>March 31,</u>	<u>Principal</u> <u>May 1</u>	<u>Interest Requirements</u>		<u>Total</u> <u>Interest</u>	<u>Total</u> <u>Requirements</u>
		<u>May 1</u>	<u>November 1</u>		
2007	\$ 75,000	\$ 19,662	\$ 17,862	\$ 37,524	\$ 112,524
2008	100,000	17,862	15,412	33,274	133,274
2009	100,000	15,412	12,913	28,325	128,325
2010	100,000	12,913	10,413	23,326	123,326
2011	125,000	10,413	7,225	17,638	142,638
2012	125,000	7,225	3,975	11,200	136,200
2013	150,000	3,975	-	3,975	153,975
	<u>\$ 775,000</u>	<u>\$ 87,462</u>	<u>\$ 67,800</u>	<u>\$ 155,262</u>	<u>\$ 930,262</u>

**LINCOLN CHARTER TOWNSHIP**  
**LONG-TERM DEBT - 1999 UNLIMITED TAX GENERAL**  
**OBLIGATION LIBRARY BONDS**  
**SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS**

March 31, 2006

<b>Year Ending March 31,</b>	<b><u>Principal</u> <u>May 1</u></b>	<b><u>Interest Requirements</u> <u>May 1</u></b>	<b><u>November 1</u></b>	<b><u>Total</u> <u>Interest</u></b>	<b><u>Total</u> <u>Requirements</u></b>
2007	\$ 150,000	\$ 43,744	\$ 40,744	\$ 84,488	\$ 234,488
2008	175,000	40,744	37,156	77,900	252,900
2009	200,000	37,156	33,006	70,162	270,162
2010	200,000	33,006	28,806	61,812	261,812
2011	225,000	28,806	23,969	52,775	277,775
2012	250,000	23,969	18,594	42,563	292,563
2013	250,000	18,594	13,281	31,875	281,875
2014	300,000	13,281	6,906	20,187	320,187
2015	325,000	6,906	-	6,906	331,906
	<u>\$ 2,075,000</u>	<u>\$ 246,206</u>	<u>\$ 202,462</u>	<u>\$ 448,668</u>	<u>\$ 2,523,668</u>